

SANYO
Japan

Colour TV

Transfin Trading Ltd.
Tel: 815307-10, Fax: 813062

Installment Facility Available

The Daily Star BUSINESS

DHAKA, TUESDAY, JANUARY 12, 1999

Hanoi to cut export duty on rice

HANOI, Jan 11: Vietnam decided to reduce the export duty on all rice in a bid to encourage more sales, Vietnam's English daily *Vietnam news* reported today, says Xinhua.

The rate was previously one per cent of the contracts sales price.

But the decision announced by Vietnam's Finance Minister Nguyen Sinh Hung recently says that the zero rate will apply to all rice for which customs procedures were started from January 1.

In addition, Vietnam's state bank has asked the bank for agriculture and rural development to provide sufficient loans for food companies to buy up about one million tonnes of reserve rice between February 1 and March 31 to boost rice exports.

Vietnam's rice exporters will be subsidised for part of their interest payments as a further incentive and the money will come from the price stabilising fund.

The past rate for broken rice of less than 25 per cent was set at one per cent. It was set last October.

Vietnam has planned to export 3.9 million tonnes of rice this year, 100,000 tonnes more than last year when the country became the world's second rice exporters. This year's first-quarter exports of rice are expected to reach one million tonnes.

Vietnam harvested a record 31.8 million tonnes of grain in 1998 and the Vietnamese national assembly has targeted food output of 32 million tonnes this year.

Russian central bank's top official to step down

MOSCOW, Jan 11: A top official of Russia's battered Central Bank is resigning to work in the private sector, officials confirmed Monday, says AP.

The Central Bank said First Deputy Chairman Andrei Kozlov will step down Jan 25, but would not say if he had found a new position.

The Central Bank has been battling to maintain the country's slipping currency since Russia was hit last summer by the world crisis in emerging markets and the government defaulted on some debts.

Kozlov said he had wanted to leave the Central Bank in September, but stayed at the request of Central Bank Chairman Viktor Geraschenko to help oversee several key projects, the Interfax news agency reported.

ANZ Grindlays opens ATM at Kakrail

Star Business Report
ANZ Grindlays Bank has inaugurated its fourth Automated Teller Machine (ATM) at their Kakrail Sales and Service Centre in the city.

The ATM was opened by Muhammad A Ali, General Manager of ANZ Grindlays Bank yesterday.

Neil Merrick, Head of Personal Banking of ANZ Grindlays Bank and other senior officials of the bank were also present on the occasion.

The first users of ATM received attractive gifts from the bank, says a press release.

For the convenience of its customers and to provide superior customer service, ANZ Grindlays intends to install two more ATMs very soon at Utara in Dhaka and Nasirabad in Chittagong.

Three other ATMs of ANZ Grindlays are located in Dhanmondi, Gulshan and Sheraton Hotel Sales and Service Centres.

Apart from ANZ Access cards all the ATMs of ANZ Grindlays in Bangladesh also accept Cirrus cards and both local and international MasterCard and VISA credit cards.

Thai exports may grow 4pc this year

BANGKOK, Jan 11: Thailand's exports are expected to grow four per cent to 56.6 billion US dollars this year compared with 54.5 billion US dollars last year, Deputy Commerce Minister Pravit Ratanapany said today, reports Xinhua.

The anticipated exports figure this year would be very close to the 55.9 billion US dollars exports value registered in 1996, the year when Thailand began to experience a slowdown in growth, Pravit said.

The exports estimation this year was conservative and based on views expressed by several exporters and overseas-based Thailand commercial attaches, Pravit was quoted Monday by the Bangkok Post as saying.

He said the estimation was close to the figure anticipated by both the International Monetary Fund and the National Economic and Social Development Board. Both agencies predicted that Thai exports would reach 56.1 billion US dollars this year.

Bad loans come down

The amount of bad loans came down to two per cent in the private banks and six per cent in the nationalised commercial banks against all advances given since 1996, reports BSS.

Before 1996 the ratio of classified loan against total advances remained at 36 per cent, Bangladesh Bank Deputy Governor Ibrahim Khaled told BSS yesterday.

"After the completion of financial reforms programme in 1996, stronger monitoring, proper evaluation of projects before loan sanctioning and less political interference have given fillip to the improvement of existing loan portfolio in the banking sector", he said.

He, however, said that the amount of total classified loans in the country's banking sector have increased nearly to Taka 21,000 crore and "it is increasing despite enhanced rate of recovery due to the accrued interests and addition of new classified loans.

He believes that some of

these classified loans would never be realised particularly those, sanctioned during 1986 to 1990.

During 1991 to 1993 the cases of bad loans against industrial advances came down compared to 1986-90. But it shot up during 1994 to 1996 again because of the undue political pressure from the then government.

The central bank has already issued a new loan classification procedure.

Under the new system of procedure, effective from January 1, the loans stuck up for three months, would be considered as classified.

The classified loans which would continue to remain stuck up for another three months would become doubtful while in the next three months it would be termed as bad loan, he said.

With the introduction of the new schedule the number of cases of classified loans may increase against new advances but it has been offset through

more stronger monitoring and appropriate evaluation of the projects.

The new figure of classified loans under the latest scheme will be made available in March next.

Another source at a Nationalised Commercial Bank (NCB) said stronger monitoring and judicious sanctioning of loans were giving the private commercial banks an edge over NCBs in the rate of recovery of outstanding loans in the industrial sector.

It said the over-powering trade unionism and outside interference remained the major obstacles in the process of sanctioning and recovering loans by Nationalised Commercial Banks.

The source said the performance of foreign banks in the recovery of loan remained the highest as most of the those banks do not entertain undue lobbying from any quarter in sanctioning loans.

The sources also blamed overriding trade unionism for

degrading client services of both private and nationalised commercial banks compared to the foreign banks.

The direct recruitment at the officers level have remained suspended for over a decade though there is a provision that half of new recruits could be taken directly, the source said.

Adding most of the posts are now filled up by giving promotion who started their career as clerks following the pressure from the trade union. As a result the services at the banks have deteriorated in the NCBs, it said.

Because of the higher salary structure the foreign banks are attracting more intelligent, efficient and smart young people than the NCBs and local private commercial banks, the source said.

The positive forces have to be strengthened through political will to resist the forces which have created the default culture in the country banking sector," said Ibrahim Khaled.

LOIs are also being issued to three other companies — EC Securities Ltd, Prime Securities and Financial Services Ltd.

3 more merchant banks soon

So far, the SEC issued registration certificates to 16 firms under SEC (Merchant Banker and Portfolio Manager) Regulation 1996.

Of the companies 13 are full-fledged Merchant Banker (including Portfolio Manager) and three others are Issue Managers.

The SEC has also extended underwriting function by non-merchant banks and non-issue manager till June 30, 1999.

Through Bangladesh Gazette (Extraordinary), published on September 28 last year, exemption was allowed to the firms/companies engaged in merchant banking activities from the requirements of Section 2 (1) (J) of SEC (Merchant Bankers and Portfolio Manager) Regulation, 1996 up to December 31, 1998.

Lanka initiates industrial parks to create 30,000 jobs this year

COLOMBO, Jan 11: Industrial park programmes to be launched islandwide will provide over 30,000 jobs for Sri Lankans in 1999, the official Daily News reported today, says Xinhua.

Minister for Industrial Development C V Gooneratne told the paper that the main aim of setting up industrial parks is to generate employment regionally.

Earlier reports said that there are over 30,000 unemployed graduates in the country with possibility of a further annual increase.

Warnings in the direction of possible national disaster are becoming evident day by day by way of protest marches, fasts unto death and even suicidal threats of some unemployed graduates in different parts of the country," said Professor Ranjith Ruberu with the University of Colombo in a thesis.

The government has intensified its efforts to resolve unemployment by speeding up the industrial park programmes.

Minister Gooneratne said infrastructure development and construction work on seven parks had already been completed and commercial operations have also commenced.

DCCI training course ends

Star Business Report
A seven-day training course on garments merchandising, operations and management ended.

The course was organised by the Human Resource Development Programme of the Dhaka Chamber of Commerce and Industry (DCCI) from January 3 to 10.

DCCI President MH Rahman inaugurated the course.

The course aimed at familiarising the participants with the following topics: concept, importance & role of a merchandiser, basic ideas on yarn, fabrics used in garments sector, fabric dyeing, fabric printing & finishing, types of garments exported from Bangladesh. Stages of production in garments and production related functions, packaging, garments washing & dyeing, garments accessories, different designs, patterns and styles in knit & woven garments, communication & negotiation of orders, garments costing and consumption analysis, banking formalities, garments inspection system, shipping & transportation.

In all, 37 participants including 5 women officials from different private business organisations attended the training course.

DCCI Director Mamunur Rahman distributed certificates among the participants.

Hyundai defers disinvestment of Indian unit

NEW DELHI, Jan 11: The Korean automobile giant Hyundai has deferred its proposal to offload 14.2 per cent equity in its wholly-owned Indian subsidiary to the foreign institutional investors (FIIs) in view of the fluid market conditions.

It will infuse an additional US\$138 million in the Indian venture and expand its equity base to US\$350 million in a phased manner, a Hyundai official said.

The company had informed the Foreign Investment Promotion Board (FIPB) about its proposal to shelf the divestment as the original foreign collaboration agreement envisaged implementation of such a plan before December 31, 1998.

"We have withdrawn our proposal as we think that the time is not appropriate for such a move. So far HMI has brought in US\$212 million as equity which was promised by the company for the first phase."

"The rest of the equity will be invested whenever there is a requirement," B V R Subi, director (marketing and sales), told the Press Trust of India (PTI). -- Asia Pulse Internet

Fujitsu to abandon mass production of computer chips

TOKYO, Jan 11: Fujitsu Ltd, a leading Japanese electronics manufacturer, will abandon mass production of standard computer memory chips as soon as the end of this year, a newspaper reported Monday.

The Tokyo-based company will instead focus on more limited output of specialised semiconductors such as advanced chips used in computer servers, said the Nihon Keizai business daily.

But a Fujitsu spokesman denied Monday that the company has decided to pull out of the market for conventional chips.

"At this point, we don't have any plans to withdraw completely," said spokesman Bob Pomeroy.

"The situation is fluid," however, he said.

Fujitsu already had begun to move away from production of lower-end semiconductors in favour of more specialised computer chips, he said.



DCCI President MH Rahman addresses the inaugural session of a 7-day training course on "Garments Merchandising: Operations & Management" held at DCCI Training centre.

— DCCI photo

Dhaka to get Tk 14cr German commodity aid

Ambassador of the Federal Republic of Germany Uwe Schramm and Secretary of Economic Relations Division (ERD) Dr A K M Mashruh Rahman signed yesterday an agreement on five million deutsche mark (Tk 14 crore) for commodity aid as flood related assistance to Bangladesh, says AFP.

Speaking at a press conference in the city yesterday, Managing Director of IBSL Asif Hussain said that there were strong indications that Bangladesh would successfully enter the vast global software market. As

David Thomas said since

will be provided to health centres to improve and rehabilitate basic health care facilities in Bangladesh, said a release.

The amount was made available out of the budget of the Federal Ministry of Economic Cooperation and Development in the framework of a special programme earmarked for the flood calamities in Bangladesh.

This commitment comes on

top of a number of humanitarian aid interventions worth 1.9 million deutsche mark (5.3 crore taka) funded by the German Federal Foreign Office during the disastrous flood 1998.

The German humanitarian aid as a symbol of sympathy and solidarity with the people of Bangladesh helped to ease the suffering of the flood victims by providing water-purifying units, supplying over 2 million oral packages and distributing medicine for the poorest of the poor.

Furthermore food aid operations with German funding of over 8 million deutsche mark (22.7 crore taka) were launched and successfully implemented through the World Food Programme and the German Technical Cooperation (GTZ).

As a result of the German-Bangladesh negotiations on development cooperation, in Dhaka in December last, the German Federal Government committed another five million deutsche mark within its 1998 financial assistance for Bangladesh for urgent rehabilitation and reconstruction of rural roads and markets.

The start-up capital estimated for running the ventures ranges from Tk 25,000 to maximum Tk 5 lakh.

"Unemployed youths, be they literate or unlettered, are our targets. But the literate are given priority," said the Bank's managing director, A J Masudul Haque Ahmed.

Inaugurated by the Prime Minister on September 22 last, the Bank was given approval for opening 20 more branches by last December. Process of recruiting manpower for those new branches is under way, officials said.

Syed Faridul Islam, Sales and Service Manager, ANZ Grindlays Bank, Kakrail, hands over a gift to Zakir Ahmed, the first customer to use the bank's ATM at Kakrail after inauguration of the service by Muhammad A Ali, General Manager of ANZ Grindlays Bank yesterday. — ANZ photo

Chinese investment arm goes bankrupt

BEIJING, Jan 11: The investment arm of one of China's wealthiest provinces has formally filed for bankruptcy, leaving debts worth \$ 4.3 billion, twice the initial estimate, an official newspaper reported Monday, says AP.

Officials from Guangdong International Trust and Investment Corp. announced the losses after a meeting of a committee overseeing the company's liquidation Sunday, the Shenzhen Securities Times reported.

Contrary to reports that foreign creditors would be given priority, a Bank of China official involved in the liquidation promised equal treatment for lenders.

"Domestic and foreign creditors will be treated the same," the official, who asked not to be identified, told Dow Jones Newswires.

It was not immediately clear how much of the debt, a significant part of which is owed to foreign banks, could be repaid.

Guangdong, once one of China's most prominent financial institutions, declared insolvency and was closed down in October after failing to repay foreign and domestic loans.

The meetings Sunday between liquidators and creditors were held to discuss how GITIC's debts should be settled.

Filipino budget deficit exceeds IMF ceiling

MANILA, Jan 11: The Philippines budget deficit for 1998 exceeded the ceiling permitted by the International Monetary Fund under a borrowing programme for the country, the government said Monday, reports AP.

According to preliminary data from the Bureau of Treasury, the deficit stood at \$2 billion pesos (\$1.36 billion), higher than the \$1.9 billion pesos (\$1.28 billion) allowed by the IMF and a target of \$4 billion pesos (\$1.05 billion) set by the government itself.

The bureau attributed the higher-than-planned deficit to shortfalls in tax revenues and higher expenditures. The government turned a small budget surplus in 1997.

For the current year, a budget deficit of \$8.4 billion pesos (\$1.8 billion) is planned, representing some 2.2 per cent of gross national product. The higher deficit, which has the IMF's blessing, reflects increased government spending to revive the country's flagging economy.

Budget targets were among several criteria set by the IMF for the country to tap a \$ 1.4 billion loan